



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

August 29, 2005

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To: Supervisor Gloria Molina, Chair  
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Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From:   
David E. Janssen  
Chief Administrative Officer

  
Raymond G. Fortner, Jr.  
County Counsel

**QUARTERLY UPDATE REPORT ON THE RISK MANAGEMENT INFORMATION SYSTEM**

On March 1, 2005, your Board, on a motion by Supervisor Burke, instructed the Chief Administrative Office (CAO) and County Counsel to provide your Board with a comprehensive methodology to measure the outcomes and effectiveness of the Risk Management Information System (RMIS) and the Claims Consolidation Project (Project), and to include this information with the quarterly updates on RMIS previously ordered by your Board. On August 1, 2005, we informed your Board the CAO and County Counsel were continuing to finalize the requested reports and the reports would be provided to your Board by September 2005.

The *Methodology to Measure the Outcomes and Effectiveness of RMIS* (Attachment I), and the *Third Quarter Update on RMIS* (Attachment II) have been completed. However, the methodology to measure the outcomes and effectiveness of the Project is undergoing additional review by the CAO and County Counsel. As a result, the methodology to measure the outcomes and effectiveness of the Project and the Project's quarterly update report will not be available until October 2005.

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If you have any questions, please have your staff contact Rocky Armfield, County Risk Manager, at (213) 351-5346, or John Krattli, Senior Assistant County Counsel, at (213) 974-1838.

DEJ:SRH:RAA  
DAU:sg

#### Attachments

c: Executive Officer, Board of Supervisors  
Auditor-Controller  
Chief Information Officer

## **RISK MANAGEMENT INFORMATION SYSTEM (RMIS)**

### **RMIS Update**

In March 2005, the Board approved additional funding for the RMIS contract with Risk Technologies, Inc. (RTI), bringing the maximum contract amount to \$14 million, over the nine year life of the contract (through year 2010). The additional funds were approved for RMIS enhancements, as indicated in the Board letter, including the recently implemented enhancements for eCAPS coordination and Federal 1099 tax reporting requirements.

Presently, we are in the process of developing a work order to accommodate the claims consolidation efforts, bringing the Auditor-Controller's Small Claims staff to the CAO. This enhancement to RMIS will allow Small Claims staff to utilize RMIS for claims adjusting and reporting to eCAPS.

### **Methodology to Measure the Outcomes and Effectiveness of RMIS**

The methodology to measure the outcomes and effectiveness of RMIS will be a process of comparing the ongoing progress of RMIS, in several performance areas, before and after enhancements to RMIS are implemented. The assessment of RMIS in each performance area indicates, by contributing factors, how each action (enhancement) taken, addresses known data or system deficiencies. Implementation of planned enhancements should result in the collection of better data, which will be provided to County-end users for risk management purposes. This initial assessment report will compare the County's data quality before and after the implementation of RMIS. Future quarterly assessment reports will include descriptions of new enhancements and the resulting improvements to RMIS after the enhancement is implemented.

The methodology used to look at outcomes and effectiveness of RMIS is the comparison of pre-RMIS data assessments (data quality, availability, and accessibility) with post RMIS data. This assessment of data before and after RMIS implementation is described below:

#### **1. Data Quality**

In general, data quality is the degree to which data meets the factors described below:

<b>Accuracy:</b>	The degree of conformity or preciseness of the data to a standard or a true value.
<b>Completeness:</b>	The inclusion of all necessary data parts or data elements to represent the truth or true value.
<b>Relevancy:</b>	The relation of the kind or type of data being collected to the matter at hand.

## 2. Data Availability

Factors that contribute to data availability include:

- Data Consolidation:** Eliminating duplicate and/or stand-alone systems makes data more readily available for reporting.
- Data Entry Efficiency:** Streamlining data entry eliminates double entry and re-engineering of workflows.

## 3. Data Accessibility

Access to the data within RMIS is driven by two factors:

- Policy Actions:** Policy actions taken by the CAO and/or the RMIS Steering Committee may result in the ability for County-end users to have more opportunity to obtain RMIS data.
- Technology Investment:** CAO continues to work with the CIO and may update or increase its investment in technology (such as hardware, etc.) to enable end users to access and analyze data more rapidly.

### Pre-RMIS Assessment

In February 1999, the County of Los Angeles engaged Advanced Risk Management Techniques, Inc., and Tillinghast-Towers Perrin to conduct an evaluation of its existing consolidated risk management information system (supplied by Corporate Systems), its usage by departments, and the remote systems that contributed data to the system. The consultant report indicated the County could significantly improve all three areas of data assessment by going out to bid for a new RMIS system, or by eliminating many of the duplicate, existing systems.

In year 2000, the County went out to bid for a Risk and Claims Management Information System, resulting in a contract with RTI in 2001, and went live with a new system in March 2003.

### Post RMIS Implementation

In April 2004, the County accepted the system from RTI, and the following program outcomes and the degree of effectiveness have been noted below:

#### 1. Data Quality

- Accuracy:** The data entered into the system are validated using a series of business rules, logical loops, and replacing text fields with drop-down menus. Extensive data scrubbing and cleansing from each consolidated database has been, and will continue to be, performed to eliminate duplicate records. As a result, the liability claims data is progressively becoming more accurate, compared to the pre-RMIS data.

1. **Data Quality** (continued)

**Completeness:** The RMIS database captures significantly more detail about each file in the system; it includes audit trails and custom data fields by department and coverage, as well as more descriptive data fields.

**Relevancy:** Much of the data that the pre-RMIS systems captured was ultimately not relevant for risk management analysis. Data fields now included in RMIS allow data to be categorized and segregated, according to when, and under what conditions, the data could be entered.

2. **Data Availability**

**Data Consolidation:** Eliminating pre-RMIS duplicate and/or stand-alone systems make RMIS data more readily available for analysis and reporting.

**Data Entry Efficiency:** By streamlining data entry (i.e., eliminating double entry and re-engineering workflows), RMIS collects data faster and more efficiently. Additionally, work flows are now electronically connected between the Executive Office of the Board, County Counsel, CAO, Sheriff, and the Third Party Administrators (TPA), which reduces data transfer lag times between these offices by weeks.

3. **Data Accessibility**

**Policy Actions:** The RMIS application is currently accessible to all groups involved in inputting data and updating the County's legal database, and appropriate data can be quickly made available to additional groups when deemed needed.

**Technology Investment:** The CAO chose to go with state-of-the-art technology, which is a web-based application that is accessible throughout LANet. This application has made risk management data much more accessible than during the pre-RMIS period.

### THIRD QUARTER UPDATE ON RMIS

As requested by your Board on March 1, 2005, listed below are summary descriptions of the measured outcomes for each work order issued for system modifications and upgrades to the Risk Management Information System (RMIS) during this quarter. Each of these upgrades satisfies the performance expectations stated in the *Methodology to Measure the Outcomes and Effectiveness of RMIS* (Attachment I). A brief description of work orders in development is also included.

#### COMPLETED WORK ORDERS

1. eCAPS Conformation

The RMIS was successfully modified to conform to eCAPS specifications by the go-live date of July 1, 2005. It fully meets the Data Quality and Data Availability Standards (Attachment I).

2. 2004 Federally-Mandated 1099 Forms

Modifications were completed to enable RMIS to produce accurate 1099 forms and issue them to vendors. This meets the Data Accessibility and Data Quality Standards (Attachment I).

#### WORK ORDERS IN DEVELOPMENT

We are in the process of developing work orders to accommodate the claims consolidation efforts, assigning the Auditor-Controller's Small Claims staff to the CAO, and reflect County Counsel's July 1, 2005, organizational realignment. These enhancements to RMIS will allow Small Claims staff to utilize RMIS for claims adjusting and reporting to eCAPS, and enable County Counsel to bill client departments.

The effectiveness and outcomes from these work orders will be reported to your Board once these upgrades are completed and implemented.